

1                   **UNITED STATES DISTRICT COURT**  
2                   **SOUTHERN DISTRICT OF TEXAS**  
3                   **HOUSTON DIVISION**

4                   UNITED STATES OF AMERICA                   \*     4:13-CR-00628-1  
5                   VS.   \*  
6                   HORTENCIA MEDELES-ARGUELLO              \*     10:06 a.m.  
7                   \*  
8                   \*     APRIL 23, 2015

9                   **REDACTED EXCERPT OF TRIAL - CLOSING STATEMENTS**  
10                  **BEFORE THE HONORABLE DAVID HITTNER**  
11                  **AND A JURY**  
12                  **Volume 1 of 1 Volume**

13                  **APPEARANCES:**

14                  **FOR THE UNITED STATES OF AMERICA:**  
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29                  **INTERPRETERS:**  
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31                  Ms. Linda Hernandez  
32                  Ms. Graciela Dachman  
33                  Mr. Gregorio Ayala

34                  Court Reporter:  
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38                  Proceedings recorded by mechanical stenography.  
39                  Transcript produced by computer-assisted transcription.

1 (Beginning of requested excerpt, as follows:)

2 MR. PEREZ: Thank you, Your Honor. Good morning  
3 or good afternoon? It is still good morning. Good  
4 morning.

11:58:03 5 On behalf of the agents, these fine men and women who  
6 represent the United States in protecting us, on behalf of  
7 Mr. Magliolo and myself, and especially on behalf of the  
8 victims in this case, the victims of modern-day slavery, I  
9 want to really from the bottom of our respective hearts  
11:58:22 10 thank you for your time and effort in listening to the  
11 evidence in this case. I know it's taken you out of your  
12 jobs and your daily routines. And as the Judge said, we  
13 have moved along at a very fast pace. But again, thank  
14 you very much for your time.

11:58:37 15 THE COURT: By the way, ladies and gentlemen,  
16 this case moved along very quickly for this complex case.  
17 I want to thank the attorneys, also, for moving it along.

18 MR. PEREZ: Thank you, Your Honor.

19 I ask you, in listening to the evidence, you can use  
11:58:49 20 your common sense. You didn't leave your common sense at  
21 the doorway when you came to court here today. You can  
22 use your common sense and your everyday experiences in  
23 evaluating the facts in this case.

24 If I say something that did not come out in evidence,  
11:59:04 25 please disregard it because 12 pairs of ears are better

1 than the one here. I don't mean to misstate the truth.  
2 So if I say something you didn't hear, you just disregard  
3 it.

4 The Judge has given you instructions. As he said, he  
11:59:21 5 is the judge of the law; and you are the judge of the  
6 facts. I want to go over the law very briefly to  
7 emphasize some parts that I think were really important in  
8 this case.

9 On Page 10, the defendant is the one on trial here.  
11:59:36 10 You are here to decide whether the government has proven  
11 its case beyond a reasonable doubt that the defendant is  
12 guilty of the crimes charged. Neither are you called upon  
13 to return a verdict of guilty as to any other person or  
14 persons not on trial as a defendant in this case.

11:59:56 15 So the defendant is the one on trial here. I know  
16 Mr. Ali has cross-examined numerous people on different  
17 issues. And again, as the Judge has instructed you, the  
18 defendant is the one on trial. We are here because of  
19 what the defendant did. That's why we are here.

12:00:17 20 The Judge is also going to -- has instructed you on  
21 this issue. The defendant is charged with conspiracy to  
22 commit sex trafficking that occurred between 2009 and  
23 October the 10th, 2013. The defendant is further charged  
24 with conspiracy to harbor illegal aliens between January  
12:00:34 25 1999 and October the 10th, 2013.

1 Evidence of a crime, wrong or other acts that may have  
2 occurred between 1999 and January of 2009, as testified to  
3 by numerous young women, numerous victims, are not  
4 admitted to prove the defendant's character in order to  
5 show that on a particular occasion the defendant acted in  
6 accord with her character. You must not consider any of  
7 this evidence in deciding the defendant committed the acts  
8 charged relating to the sex trafficking conspiracy.

9 The evidence may be admissible in the sex trafficking  
10 conspiracy only to prove the defendant's motive,  
11 opportunity, intent, preparation, plan, knowledge,  
12 identity, absence of mistake or lack of accident. The  
13 evidence is admissible for all purposes as to the  
14 conspiracy to harbor illegal aliens charge that occurred  
15 between January 1999 and October the 10th, 2013.

16 Another thing that I would emphasize to you on the  
17 same page, on this Page 11, is that if a defendant is  
18 found guilty it will be the Judge's duty to decide what  
19 the punishment will be. You should not be concerned with  
20 punishment in any way. It should not enter into your  
21 consideration or discussion.

22 I know Mr. Ali talked about the ranges of punishment  
23 that different people may have been exposed to, what  
24 punishment the defendant may be exposed to. That is not  
25 your concern. That is up to the Judge. And he has told

1 you, this Honorable Judge, has given it to you in writing  
2 that it's up to him.

3 At the beginning of this case in opening statements I  
4 told you that at the end of the trial the Judge was going  
12:02:24 5 to instruct you as to what crime the defendant is accused  
6 of and what you as the judges of facts are determined to  
7 find the defendant guilty or not guilty. Obviously, based  
8 on the evidence that we have submitted, I submit to you  
9 that the evidence clearly shows she is guilty of all  
12:02:42 10 counts.

11 Now, the conspiracy to commit sex trafficking is on  
12 the bottom of Page 15; but I'm going to try to break it  
13 down. Okay. One way for the defendant, Tencha, to be  
14 found guilty of conspiracy to sex traffic is -- one way is  
12:03:17 15 for her to agree with at least one other person to provide  
16 a place for prostitution to occur, knowingly or recklessly  
17 disregarding the fact that the girls were doing it against  
18 their will. That is, they were forced or tricked or both.  
19 If you find unanimously that she did that, she is guilty  
12:03:37 20 of conspiracy to commit sex trafficking.

21 THE COURT: Hold it. Yes, sir.

22 MR. FAZEL: Objection, Your Honor. That  
23 misstates the law. That's incorrect.

24 MR. PEREZ: That is not incorrect, Your Honor.

12:03:44 25 THE COURT: What is your objection?

1 MR. FAZEL: That is a misstatement of the law.

2 The prostitution term he threw in there is a misstatement.

3 THE COURT: Say it again.

4 MR. FAZEL: The term prostitution is a  
12:03:53 misstatement of the law. I object.

6 THE COURT: What should it be?

7 MR. FAZEL: It can't be prostitution if -- what  
8 he is saying is that if she agreed for prostitution and he  
9 ought to say if she is aware of the fact that these girls  
12:04:04 10 are engaged in some activity then that's an element to the  
11 crime of conspiracy.

12 MR. PEREZ: Not true, Your Honor. It's a  
13 conspiracy, Your Honor. She didn't even have to touch  
14 them.

12:04:13 15 THE COURT: Ladies and gentlemen, you read the  
16 instructions as I gave it to you. Okay. What the  
17 attorneys say is not the law and is not the facts of the  
18 case. It's as they remember it and they want to bring it  
19 to my attention.

20 For the record, he is entitled to a ruling.  
21 Overruled.

22 MR. FAZEL: Yes, sir.

23 MR. PEREZ: As I was saying, the defendant agrees  
24 with at least one other person to provide a place for  
12:04:38 25 prostitution to occur, knowingly or recklessly

1 disregarding the fact that the girls were engaged in  
2 prostitution there doing it against their will, that is,  
3 that they were either being forced or tricked or both. Or  
4 a second way --

12:04:56 5 THE COURT: I'll tell you what I'm going to ask  
6 you to do. I am going to stop the clock. I want those  
7 charts down unless you need them. If you need them, pull  
8 them up. Are you going to use them right away?

9 MR. PEREZ: Not right away, Your Honor.

12:05:07 10 THE COURT: All right. Put them down. When you  
11 need them, we'll put them up. Okay. It's just that we  
12 have the problem here with the pole, and it's a public  
13 forum. I just don't want people blocked. Okay. I have  
14 stopped the clock, by the way. Any time you need them up,  
12:05:22 15 we'll get them up; and we will put them right down.

16 MR. PEREZ: Thank you, Your Honor.

17 THE COURT: Go right ahead, please.

18 MR. PEREZ: Now, A-3a, doing it against their  
19 will. They were forced or tricked or both. A-3a, Page  
12:05:52 20 3 -- actually, Page 4.

21 THE COURT: Okay. Do you want to now enlarge it  
22 a little bit?

23 MR. PEREZ: Yes. Page 3 or --

24 THE COURT: What we are looking at?

12:06:05 25 MR. PEREZ: Page 3. This is evidence that the

1 girls were doing it against their will.

2 THE COURT: Now, what is it we are specifically  
3 looking at?

4 MR. PEREZ: Your Honor, I was going to read this.

12:06:18 5 There is an excuse going to a doctor where there is a  
6 discussion about one of the girls being black and blue.

7 It says there --

8 THE COURT: What is "UI", just for those who may  
9 not know what that is?

12:06:35 10 MR. PEREZ: Unintelligible.

11 THE COURT: What is "OV"?

12 MR. PEREZ: Not sure, quite frankly, Your Honor.

13 THE COURT: Somebody tell me. What does "OV"  
14 mean?

12:06:46 15 AGENT BRADLEY: Overlapping.

16 THE COURT: Overlapping. Do you mean talking one  
17 over the other?

18 AGENT BRADLEY: Yes, sir.

19 THE COURT: Okay.

12:06:53 20 MR. PEREZ: She says, "I saw her black and blue  
21 marks, big ones. One here and -- and I saw that she had  
22 one here. And I saw one here, a big, huge black and blue  
23 mark and -- and I think she also had one over here."

24 THE COURT: Now, "CHS," confidential human  
12:07:10 25 source? The undercover person?

1 MR. PEREZ: Yes, sir.

2 THE COURT: All right.

3 MR. PEREZ: Tencha then says, "I think he put her  
4 in the hospital."

12:07:17 5 Confidential source says, "Who put her in the  
6 hospital?"

7 She then says, "Her pimp."

8 "You think the pimp put her in the hospital?"

9 "Yes. He beat her up and put her in the hospital.

12:07:26 10 She was going to bring that thing."

11 From her own mouth -- from her own mouth she says, I  
12 know that the pimps put them in the hospital. From her  
13 own mouth.

14 Then on Page A-1a, Page 4, starting right there. "But  
15 that one, she says that she requested a two-weeks  
16 vacation."

17 Tencha says, "Oh, yes. She told me that."

18 CHS says, "Maybe she was also beaten up by her pimp."

19 She mumbles, "Right."

12:08:13 20 He goes, "Uh?"

21 She chuckles. She laughs. She knows that the pimps  
22 beat those girls to make them work at her location.

23 A second way that this defendant can be convicted of  
24 conspiracy to commit sex trafficking is for her to agree  
12:08:34 25 with at least one other person to provide a place for

1 prostitution to occur, knowingly or recklessly  
2 disregarding the fact that the girls are minors. That is,  
3 that they are under the age of 18.

4 MR. FAZEL: Judge, may I have a continuing  
12:08:50 5 objection to the term "prostitution"? It has to be forced  
6 sex.

7 MR. PEREZ: Not if it's a minor, Your Honor.

8 THE COURT: Okay. You have a running objection.  
9 You needn't get up each time.

12:09:00 10 MR. FAZEL: Yes, sir.

11 MR. PEREZ: In the first two ways of committing  
12 the sex trafficking Tencha is actually a member of a sex  
13 trafficking conspiracy. Other people supply the girls.  
14 Tencha provides the place. She provides Las Palmas. The  
12:09:16 15 pimps provide the place -- provide the girls. She  
16 provides the place knowing that they are either forced to  
17 go there or tricked to go there; or if they are minors, we  
18 don't have to prove force, fraud or coercion.

19 A third way that Tencha can be guilty of conspiracy to  
20 commit sex trafficking is to agree with at least one other  
21 person to benefit financially; that is, to make money.  
22 And, whoa, we know she made a lot of money from a sex  
23 trafficking conspiracy. Again, knowingly or recklessly  
24 disregarding the fact that the girls were doing it against  
12:09:58 25 their will.

1       Four -- a third -- a fourth way for her to be guilty  
2 of conspiracy to commit sex trafficking is to agree with  
3 at least one other person to benefit financially; that is,  
4 again, to make money. And again, made a lot of money from  
12:10:19 5 the sex trafficking conspiracy knowingly or recklessly  
6 disregarding the fact that the girls were minors. Again,  
7 we don't have to prove force, fraud or coercion if they  
8 were minors under the age of 18.

9       And the third and fourth way of committing this  
12:10:48 10 conspiracy to commit sex trafficking, she doesn't even  
11 have to engage in any of the sex trafficking activities,  
12 as the Court instructs you on Page 19. At the top of the  
13 page it says the government would not have to prove that a  
14 defendant himself or herself engaged in any of the  
12:11:10 15 trafficking activities. Very clear. That's what the  
16 Court gave you.

17       As the Court instructs you on Page 19, which I just  
18 read, just that she agrees with someone else, who would  
19 include anybody she paid for working with her facilitating  
12:11:28 20 the prostitution. That would include anybody from the  
21 person who took the \$5 at the booth, from the person who  
22 took the money on the second floor of the prostitution  
23 rooms, for the people who receive the money for the  
24 condoms, for the towels, for everything that occurred that  
12:11:46 25 made money at that location. The evidence is overwhelming

1 that the defendant was running her brothel and profiting  
2 from it.

3 Exhibit 39a, please.

4 Okay. This was not put up there, but I know it was  
12:12:22 introduced into evidence. All these, the analysis that  
5 Agent Tan testified to -- when she testified, her  
6 testimony showed that from February 15th through 2012  
7 through August the 26th of 2013, which is certainly within  
8 the time of the conspiracy for the sex trafficking, she  
9 made a total of \$1,607,400, U.S. dollars.

10  
11 MR. MAGLIOLO: The final one.

12 MR. PEREZ: \$1,607,400. I can't count that high.  
13 \$1,607,400. Look at the number of times providing this  
14 place for the prostitution to occur. From that time  
15 period, in the 19 months that Agent Tan did an analysis --  
16 this comes from the room sheets.

17 Remember Juan Carlos Munoz, one of the informants,  
18 produced these line sheets every day and would meet every  
19 Tuesday with Deputy Edwin. 64,296 times were those rooms  
12:14:06 20 used. Overwhelming evidence that she provided a place for  
21 these girls to engage in prostitution there against their  
22 wills or being minors.

23 64,296 just in that time period. That doesn't include  
24 all the rest of the time that she ran that prostitution  
12:14:24 25 place from January 2009, that you can consider, to October

1 2013.

2 And on some days the rooms were used over 300 times a  
3 day. And she wants to -- 300 times a day that these young  
4 girls were subjected to slavery.

12:14:52 5 You also heard from Jorge Teloxa-Barbosa, how he gave  
6 her the first \$20,000 every week. Just imagine \$20,000  
7 every week. Yes, she benefited financially from that  
8 place, from that sex trafficking conspiracy, from these  
9 girls who were adults but they were forced or tricked into  
12:15:19 10 working there, or minors.

11 Of course, the sex trafficking activities have to  
12 affect interstate or foreign commerce, which means  
13 basically state lines have to be crossed. One of the  
14 reasons we brought you the box of condoms is to show you  
12:15:32 15 that they were made in Korea, distributed out of  
16 California. That affects interstate commerce.

17 One of the questions that I asked the informant was  
18 "Was Corona sold there?"

19 "Yes."

12:15:46 20 "Where was it made?"

21 "In Mexico."

22 Again, that affects interstate commerce. If you read  
23 the instruction that the Court gave you, however  
24 minimal -- however minimal it affects interstate commerce  
12:15:58 25 is enough.

1 Now I'm going to go over the testimony that these  
2 victims testified to. Before 2009 you can use the  
3 testimony of these girls, as I said, only for the other  
4 things the Judge gave you, like opportunity, plan, motive  
5 and so forth; but you can't consider their testimony in  
6 the harboring conspiracy that occurred from 1999 to 2013.

7 Let's talk about XXXXXXXXXXXXXXX. The defendant  
8 specifically asked her if she had any papers; and she  
9 said, no. XXXXXXXXXXXXXXX said no. That's evidence that you  
10 can consider about the harboring. She is from Mexico.

11 XXXXXXXXXXXXXXX, also an illegal alien from Mexico,  
12 testified that the defendant complained that a person had  
13 not paid her for the cost of smuggling the two male  
14 relatives working for the defendant. Again, evidence of a  
15 conspiracy to harbor aliens.

16 You heard from XXXXXXXXXXXXXXX, who worked there from  
17 May 2003 to May 2007, illegally from Mexico. Certainly  
18 she testified that she was illegal. She worked there.

19 Then you heard from XXXXXXXXXXXXXXX, who was a minor  
20 who worked there. And again, you can consider this for  
21 the harboring conspiracy. She worked at Las Palmas in  
22 2004 and a second time from April to July of 2005. You  
23 can consider that for the harboring.

24 You heard from XXXXXXXXXXXXXXX, also a minor, illegally  
25 from Mexico. She was hired by the defendant to work at

1 Las Palmas. She was an illegal alien. Another victim  
2 that -- or another witness that you can use to evaluate  
3 whether she is guilty of the conspiracy of harboring  
4 aliens.

12:18:24 5 You heard from XXXXXXXXXXXXXXX, who is also a minor, an  
6 illegal from Mexico, who worked at Las Palmas from May of  
7 2005 to July of 2005, that she also was an illegal alien  
8 who was from Mexico.

9 It seems like everybody who worked there, anybody she  
12:18:43 10 dealt with was an illegal alien. And remember at the time  
11 that the officers arrested these defendants in October  
12 2013, Pierre Perry from Homeland Security said that, I  
13 think it was, like, 26 people -- I don't want to misstate  
14 what he said. Out of the 26, I think 25 or possibly 26  
12:19:04 15 were all illegal aliens. He told you all that. Again,  
16 this place was just running over with illegal aliens.  
17 It's a place to conspire to harbor illegal aliens.

18 Let's talk about the witnesses who testified about  
19 events that occurred after 2009. You heard from XXXXX  
12:19:28 20 XXXXXXXXXXXX, an illegal from Mexico. And at the beginning  
21 when I did the opening statement I told you you were going  
22 to hear from these young women, and I told you what I  
23 anticipated their testimony would be. And they testified  
24 as to what happened. And I'm going to go ahead and tell  
12:19:44 25 you. I will try to summarize, at least briefly, as to

1 what their testimony was.

2 She worked at Las Palmas from December of 2008 to  
3 April 2012. She identified Tencha as the owner of Las  
4 Palmas. If you will recall, she testified that the  
5 defendant addressed her and about 30 other women that she  
6 did not want their pimps bringing them to work. Again,  
7 aware that pimps were supplying the girls. She set the  
8 rules. The girls were to take a taxi or drive themselves  
9 because the police were taking down license plates of the  
10 vehicles.

11 The defendant did not want the girls to show up with  
12 signs of bruises because she did not want the police  
13 alerted. She did not care that they were beaten. She  
14 just did not want the police snooping around. Again,  
15 evidence that she was aware that the girls were forced to  
16 work at her place.

17 THE COURT: Yes, sir.

18 MR. FAZEL: Objection. That is misstating,  
19 mischaracterizing the evidence. There was no evidence  
20 that she did not care whether they were beaten, bruised or  
21 she just didn't want to get caught. That's a misstatement  
22 of facts.

23 THE COURT: Ladies and gentlemen, I elect not to  
24 comment on the evidence. You heard the objection. You  
25 will recall the evidence as you heard during trial, and

1 you'll act upon that evidence as you perceived it and  
2 remember it.

3 Go right ahead, sir.

4 MR. PEREZ: Certainly the jury can infer from the  
12:21:04 5 evidence as to what occurred, as well, Your Honor.

6 THE COURT: Well, you are talking about what?

7 The circumstantial?

8 MR. PEREZ: Well, I'm just saying that --

9 THE COURT: Well, that's -- you can argue to the  
12:21:11 10 jury. Not to me.

11 MR. PEREZ: Okay.

12 THE COURT: Talk to the jury, please.

13 MR. PEREZ: There can be direct evidence. There  
14 can be circumstantial evidence. You can certainly infer  
12:21:18 15 from either direct or circumstantial evidence what  
16 occurred.

17 You can also infer or there may even be testimony the  
18 defendant didn't care how old the girls were so as long as  
19 they showed IDs showing they were older. Every girl who  
12:21:37 20 testified who was a minor had a fake ID. So long as you  
21 have a fake ID, I don't care whether you are a minor or an  
22 adult so as long as you have one. I don't care if you are  
23 a minor. You can work here.

24 Further evidence that the defendant knew that the  
12:21:49 25 girls who worked there were forced or beaten or whatever,

1 forced to work there, was according to Rosa Tzompantzi's  
2 testimony. La Morena, Tencha's niece, a co-conspirator in  
3 this case, La Morena-Hernandez' picture on the board over  
4 there, she would check for bruises on the girls. In one  
12:22:10 5 instance La Morena, XXXXXXXXXXXXXXX told you, sent a girl  
6 home for having bruises after one of the pimps had beat  
7 her up after doing a check; and the poor girl gets beaten  
8 up for getting sent home because of the bruises that he  
9 had inflicted on her and beat her up again.

12:22:30 10 There was also testimony from XXXXXXXXXXXXXXX that she  
11 recalled five underage girls were working at Las Palmas  
12 and that everybody knew that anybody there at Las Palmas  
13 was illegal. Again, you can consider this for either the  
14 sex trafficking and the harboring.

12:22:47 15 You heard from XXXXXXXXXXXXXXX. She was from Honduras.  
16 She worked at Las Palmas from November to December 2012.  
17 A method of control for her was threats to harm her child  
18 and forced abortion prior to the pimp bringing her to the  
19 U.S.

12:23:07 20 Again, Tencha, the owner of the bar. All of the money  
21 these girls gave to Las Palmas, they all went to the  
22 defendant.

23 Evidence about harboring, she told Odelia, another  
24 co-conspirator in this case pictured on the board, that  
12:23:21 25 she was illegally in the United States. Again, a

1 conspiracy and the Judge has extensively read the  
2 conspiracy statute to you.

3 You also heard from XXXXXXXXXXXXXXXXXX, another illegal  
4 from Mexico. She worked at Las Palmas from May/June 2010  
12:23:40 5 to March 2011. Method of control for her was beating her.

6 She knew the defendant as the owner, as they all knew the  
7 defendant as the owner. The defendant would come every  
8 night to pick up the money from the use of the  
9 prostitution rooms. Benefited financially. Every night  
12:23:56 10 she would come to pick up the money from the use of the  
11 prostitution rooms. She would also see Tencha counting  
12 money there at that location. Other evidence that she  
13 benefited financially from her location.

14 She testified that the defendant held at least two  
12:24:17 15 meetings where the defendant told the girls not to mention  
16 her or anything about the pimps if the police came. Other  
17 evidence that she was in the conspiracy with the pimps.  
18 She provided the place. They provided the girls. But  
19 don't tell the police about the pimps.

20 You heard from XXXXXXXXXXXXXXXXXX, a minor. Again, no need  
21 to prove force, fraud or coercion. That she was illegally  
22 in the country while working at Las Palmas as a  
23 prostitute. That she worked there from February of 2011.  
24 That she again knew the defendant as the owner. And just  
12:24:55 25 like the other girls, the defendant received a portion of

1 the prostitution money for the use of the room and the  
2 condoms.

3 She also identified Tencha as the owner of Las Palmas  
4 who represented -- reprimanded her for being near the  
12:25:19 5 front door. And again, all this is additional evidence  
6 that Tencha was the owner, the outside manager. She knew  
7 -- was always trying to keep up with what was going on  
8 there at that location.

9 You heard from XXXXXXXXXXXXXXXX, also a minor, who was  
12:25:37 10 also known as XXXXXXXXXXXXXXXX. She was illegally in  
11 the country. She worked at Las Palmas from January 2011  
12 through November 2011. Again, that Tencha kept a portion  
13 of the money made from the use of the room and the condoms  
14 and that her pimp regularly controlled her by beating her.  
12:25:57 15 Co-conspirator Odelia Hernandez also reprimanded her for  
16 taking a break inside the room.

17 You heard testimony that she came forward and told  
18 Deputy Chapuseaux that on March 28th, 2015, about her  
19 being a victim of human trafficking. She told you. She  
12:26:15 20 told you that Deputy Chapuseaux tried to rescue her in  
21 2011 and 2012, but she did not come forward because of the  
22 overwhelming fear of her pimp and for the safety of her  
23 family.

24 The pimps provided the girls. She provided the place.  
12:26:31 25 You heard from XXXXXXXXXXXXXXXX, another minor from

1 Mexico, also illegally in the country, when she worked at  
2 Las Palmas. She worked at Las Palmas from March to August  
3 2012. She also identified Tencha as the owner of the  
4 place and that Tencha kept the money made from the use of  
5 the prostitution rooms.

12:26:49 6 You heard testimony from two HPD officers about the  
7 numerous law enforcement raids and operations that took  
8 place at that location. And, you know, they kept going  
9 there to no effect, going there to no effect, going there  
10 to no effect. The money was just too great. You can  
11 infer from the evidence that the money was just too great.  
12 They would try to get there and try to shut it down, and  
13 they just kept moving and moving. The money was just too  
14 great. But what she tries to do is distance herself from  
15 the operation of Las Palmas.

16 THE COURT: Now, are you done with those charts?

17 MR. PEREZ: Yes, Your Honor.

18 THE COURT: For now?

19 MR. PEREZ: Yes, Your Honor.

20 12:27:34 THE COURT: Get them down, please. Thank you.

21 MR. PEREZ: Thank you, Your Honor.

22 22 You heard testimony that the defendant is trying to  
23 distance herself from that location and maybe even trying  
24 to sell the place for \$450,000. You heard testimony, as  
25 12:28:02 she told the confidential informant, to erase those phone

1 calls. I just don't want to be known as having anything  
2 to do with this location, with this place.

3 Juan Carlos Munoz, A-6a, Page 4; and in that  
4 particular transcript in her own words Tencha says that  
12:28:36 5 the pimp talked to her to try to convince her for one of  
6 the girls to work there. And then, on Page 4, she also  
7 says that the pimps trained the girls well. Again, she  
8 knows what those pimps do in order for them to work at  
9 that location.

12:29:21 10 You can take that down.

11 On Page 22 -- I'm going slowly because I want to make  
12 sure. I usually don't talk this slow, as you can tell  
13 from when I'm asking questions. I'm going really slow  
14 here to make sure that I don't misstate anything, to make  
12:29:43 15 sure that I get all the evidence that was presented and  
16 that I make sure that I really direct your attention to  
17 what this defendant did.

18 On Page 22, the Court instructs you that in order for  
19 you to find the defendant guilty of conspiracy to commit  
12:30:00 20 sex trafficking you have to be unanimous on at least one  
21 of the ways I just discussed with you, the four ways. The  
22 testimony and evidence you have heard in the case clearly  
23 dictates that you should find that she committed  
24 conspiracy to commit sex trafficking in all four ways even  
12:30:18 25 though you only need to find one way to find the defendant

1 guilty of conspiracy to commit sex trafficking.

2 Four different ways that you can find. I submit to  
3 you that based on the evidence we have proved to you  
4 violation of all four ways and at least one for sure. At  
5 least one but all four ways.

12:30:35 6 On Page 24, Count 2, the defendant is charged with  
7 conspiracy to harbor illegal aliens. The Judge has told  
8 you that just in the sex trafficking conspiracy,  
9 conspiracy is an agreement between two or more persons to  
10 join together to accomplish some unlawful purpose. It is  
11 a kind of partnership in crime in which each member  
12 becomes the agent of the other person.

13 It also says that a defendant, just like in the sex  
14 trafficking conspiracy, if a defendant understands the  
12:31:03 15 unlawful nature of a plan or scheme --

16 THE COURT: Slow down. Now, I know you don't  
17 want to go slow but slow down a little bit because it's --  
18 I want to get it all down.

19 MR. PEREZ: I'm trying to not run out of time.

12:31:36 20 THE COURT: I had the same thing when I had to  
21 read it. If you read it, slow down.

22 MR. PEREZ: All right. Thank you, Your Honor.

23 If the defendant understands the unlawful nature of a  
24 plan or scheme and knowingly and intentionally joins in  
12:31:47 25 that plan or scheme on one occasion, that is sufficient to

1 convict that person for conspiracy even though the  
2 defendant had not participated before and even though the  
3 defendant only played a minor part.

4 It's really important because in both the sex  
12:32:03 5 trafficking conspiracy and in the conspiracy to commit  
6 harboring she didn't play a minor role. She played a  
7 major role. The law says even if you just commit a minor  
8 role, that's enough to get convicted of conspiracy. In  
9 this case, again, she didn't just play a minor role. She  
12:32:21 10 played a major role.

11 It says if she intentionally joins in a plan or scheme  
12 on one occasion. Well, the evidence introduced in the  
13 last week and a half showed that she just didn't do this  
14 on one occasion. She did it throughout the time that she  
12:32:36 15 operated there at Las Palmas.

16 And on Page 26 the Judge defines "harboring" as the  
17 aliens remained or entered in the United States in  
18 violation of law, that she either knew or acted in  
19 reckless disregard of the fact that the illegal alien had  
12:33:02 20 entered or remained in the United States, and that she did  
21 it for the purpose of commercial or private financial  
22 gain.

23 Everything this woman did -- everything Tencha did was  
24 for money. No question that it was for commercial  
12:33:18 25 advantage or private financial gain because everything,

1 again, that she did was for money. For money. For money.  
2 For money.

3 Page 27, aiding and abetting to commit money  
4 laundering, in Counts 3, 4 and 5 there is a lot of  
12:33:45 5 language, a lot of legalese, a lot of legal terminology;  
6 but it basically boils down to in Counts 3, 4 and 5 that  
7 the defendant tried to hide the money she made at Las  
8 Palmas. She tried to hide the money from the government,  
9 from you and me, tried to hide it.

12:34:01 10 THE COURT: Yes, sir.

11 MR. FAZEL: Judge, I object. That's a  
12 misstatement of the law.

13 THE COURT: Ladies and gentlemen, I have given  
14 you the law. You'll follow it as I have it written.  
12:34:07 15 Anything you hear from the attorneys is merely their  
16 interpretation. It's not evidence or the law itself.  
17 What you have in writing, that's what you will consider.

18 MR. FAZEL: May I have a ruling on that, Your  
19 Honor?

12:34:17 20 THE COURT: I have given, I think, sufficient  
21 instruction. I think the instruction is sufficient. I'm  
22 not going to rule necessarily on it. I have given them  
23 the law, and you are instructed to follow the law.

24 MR. FAZEL: Yes, sir.

12:34:31 25 MR. PEREZ: I think during some of the

1 examination of some of the witnesses Mr. Ali kept saying,  
2 well, you can find this information by going to Harris  
3 County or you can go to this and find, you know, because  
4 Tencha wasn't very good at maybe not hiding the money or  
5 hiding the proceeds from where it was coming. And just  
6 because she was not very good at it does not make you any  
7 less guilty. She shouldn't be given any brownie points  
8 for not being very good at trying to hide the source of  
9 the moneys.

12:34:46 10 For Count 3 we called witnesses to show that around  
11 2012 she purchased a house and trailer in Channelview,  
12 Texas and transferred the title to these properties to her  
13 son, David Garcia, to hide the source of the moneys. That  
14 is, the unlawful activity of sex trafficking.

12:35:17 15 We're saying she tried to hide the money from sex  
16 trafficking. It doesn't mean -- the law doesn't say that  
17 we have to say that she tried to hide the money, the  
18 proceeds from the sex trafficking at Las Palmas. It had  
19 to be from Las Palmas. We suspect, based on the evidence,  
20 that it did come from Las Palmas. It doesn't have to come  
21 just from Las Palmas. It can come from any sex  
22 trafficking activity.

23 And on Count 3 that house and trailer were located at  
24 403 Elsbeth in Channelview, Texas. That house and trailer  
25 in Channelview, Texas were in David Garcia's name.

1 Remember, Mr. Magliolo asked one of the witnesses, "Well,  
2 if David never managed any of those properties, it would  
3 be a slam dunk for the United States."

4 Well, let me say this: Listen to the evidence that  
12:36:16 David Garcia testified to. He told you, I never put up  
5 any money. I never collected any rents. I never managed  
6 those properties. Period. I mean, he had nothing to do  
7 with those properties other than these properties being  
8 placed in his name. And if she chose to put that under  
12:36:35 her son's name and didn't do a very good job of hiding the  
10 proceeds, then it doesn't make her any less guilty.

12 For Count 4 the evidence we presented further showed  
13 that around 2012 she purchased a house in Channelview,  
14 Texas and transferred the title to this property to her  
12:36:53 15 son's name David, again, to hide the source of the money.  
16 This house is located at 16501 North Shore Drive;  
17 Channelview, Texas.

18 For Count 5 we presented evidence that around 2012 she  
19 purchased a house in Houston, Texas and again transferred  
12:37:11 20 the title to this property to her son's name, again, to  
21 hide the source of the money. And this is Count 5. And  
22 the house is located at 1919 Freeport; Houston, Texas.

23 Again, you heard her son, David, testify that he did  
24 not put up any money for the property, that he did not  
12:37:29 25 actually own the properties, did not manage the

1 properties, didn't collect any money from those  
2 properties. It was just under his name.

3 Then in Count 6 we presented evidence that from  
4 September 2011 to November 2011, she and her daughter,  
5 Delia, recruited others to conduct financial transactions.

6 This was a total of 29 checks, all under \$10,000, for a  
7 total of \$259,689.07. This, obviously, based on the  
8 evidence, was an effort to evade the bank filing  
9 requirements. You heard testimony that the banks are  
10 required to file a terms and transaction report for cash  
11 transactions over \$10,000.

12 She purchased a total of 29 cashier's checks. It's  
13 not a coincidence all these checks were for under \$10,000.  
14 They were all \$9,000 checks made from September 2011 to  
15 November 2011. And you will recall the testimony that  
16 some of these were at the same location. Some purchases  
17 within minutes of each other. Some purchases within days  
18 of each other. All under \$9,000.

19 You heard testimony from David Garcia, her son, who  
20 said that she told him just to keep them under \$9,000.  
21 Her own son testified to that. Keep it under \$10,000.  
22 Keep it at about \$9,000.

23 THE COURT: You have used 41 minutes if that's --  
24 I know you are checking. 41 minutes.

25 MR. PEREZ: Thank you, Your Honor.

1                   THE COURT: You wanted to know. I'll still give  
2 you a 45-minute notice.

3                   MR. PEREZ: Thank you, Your Honor.

4                   You know, we have been at this for over a week, been  
12:39:27        5 listening to a lot of witnesses. There were 12 girls who  
6 testified, two informants, two police officers. You heard  
7 Ms. Constance Rossiter testify about -- Mr. Ali kept  
8 talking about all these benefits these people received,  
9 how people received benefits. You heard Constance  
12:39:48        10 Rossiter tell you that the benefits they are entitled to  
11 them because they are victims.

12                  The U.S. Congress -- you heard them testify. The U.S.  
13 Congress bestows these benefits on them if they are  
14 victims. They certainly are victims. Under the vigorous  
12:40:04        15 cross-examination one of the girls, XXXXXXXXXXXX, is not  
16 even in the United States. She went back to Mexico. So  
17 she has no reason for her to get up here and tell you any  
18 lie. She came in here to tell you the truth. Again, some  
19 of these people did get status in the U.S. but not her.  
20 She went back to Mexico. She went back to her country.

21                  Now, I will say this. There has been some levity in  
22 this case. I think even I cracked a few jokes,  
23 Mr. Magliolo, Mr. Ali, the Judge. There has been some  
24 laughter and some chuckles and some levity; but this is  
12:40:41        25 serious, serious, serious business. You know, these girls

1 came to the U.S. looking for the American dream; and they  
2 instead found the American nightmare. It's a nightmare  
3 what they went through. Think about the courage it takes,  
4 the embarrassment that they went through for them to get  
5 on that witness stand and under vigorous cross-examination  
6 by a very skilled attorney to tell you what happened to  
7 them. Think about that.

8 Now, if you feel that they are not telling you the  
9 truth, everything that they have told you has been  
10 corroborated by this agent, by Deputy Edwin and the FBI  
11 and all the agents involved in this case.

12 They came here in search of the American dream and  
13 instead incurred the American nightmare. And they endured  
14 that slavery, that entrapment, that enslavement of them  
15 being in slavery because of people like the pimps and  
16 Tencha conspiring to force them into prostitution and them  
17 being minors.

18 They didn't escape or wake up from this nightmare  
19 until the angel showed up. That angel was Deputy  
20 Chapuseaux and his group. Did you hear -- did you see --

21 MR. FAZEL: I object to any type of  
22 characterization of any government employee as being  
23 angels. That's bolstering. That's inappropriate  
24 argument, and it's crossing the line.

25 THE COURT: Overruled.

1                   MR. PEREZ: He is an angel. He is an angel. He  
2 is an angel to these young girls who he rescued. Just  
3 from right there from the witness stand when they said,  
4 Well, did you trust law enforcement?

12:42:38       5 No. I was told not to trust law enforcement.

6                   Well, do you recall Deputy Edwin?

7                   Yes.

8                   Do you trust him?

9                   Oh, yes, I trust him.

12:42:49       10 He rescued them from this nightmare.

11                  I am going to go ahead and close. And I just want you  
12 to try to remember this in closing: The guts that it took  
13 for those girls to come here before you and tell you what  
14 happened and the vigorous cross-examination, what it took  
12:43:28       15 for them to tell you what happened to them and all the  
16 agony, the abuse, the ridicule, the embarrassment.

17                  And then, as I said, I don't care what anybody says.

18                  Deputy Edwin is an angel. He rescued them.

19                  Remember, I asked one of the girls or several of the  
20 girls what is your life now compared to what it was when  
21 you were at the hands of people like Tencha and those  
22 pimps?

23                  Oh, much better. Much better.

24                  They woke up from that nightmare. And they are  
12:44:04       25 babies. And Deputy Edwin tried -- do you remember he

1 said, Whenever I get a call from a victim I try to  
2 corroborate their story; and especially if it's a minor, I  
3 try to get them out of that situation.

4 Well, XXXXXXXXXXXXXXXXX he tried twice to get her out of  
12:44:25 5 that situation. Because of the fear she didn't come  
6 forward. Thank God she came forward very recently. And  
7 again, this angel rescued her.

8 I submit to you that -- and I'm running out of time.

9 THE COURT: You have used 46 minutes. You are  
12:44:38 10 well within the bounds.

11 MR. PEREZ: Thank you, Your Honor.

12 I submit to you that based on all the evidence that  
13 we've presented to you, all the evidence we've presented  
14 to you, all the credible evidence we've presented to you,  
12:44:50 15 that this defendant is guilty of Count 1, conspiracy to  
16 commit sex trafficking; Count 2, conspiracy to harbor  
17 aliens; Counts 3, 4 and 5, aiding and abetting to money  
18 laundering; to Count 6, conspiracy to evade the bank  
19 filing requirements.

20 I'm not saying that because I say so, but that's what  
21 the evidence introduced in this case dictates that you  
22 should find her guilty of all these counts. Again, on  
23 behalf of all these people, fine people, thank you very  
24 much for your time.

25 THE COURT: You have used 47 minutes, and you

1 have an hour and 15 minutes.

2           Ladies and gentlemen, I think we're moving along.

3 We're right on schedule. We'll take a bit of a shorter  
4 lunch break. I understand that your lunch is available in  
5 there, but everybody has to get something to eat and take  
6 a break. So we'll take 15 minutes off our usual break.  
7 We'll be back in one hour ready to resume at 1:45. We'll  
8 see you at 1:45.

9           THE MARSHAL: All rise.

10          (Jury exited courtroom at 12:45 p.m.)

11          THE COURT: Do you need to put something on the  
12 record?

13          MR. FAZEL: I do, Your Honor. I completely  
14 appreciate the Court's ruling on the last objection I  
15 made. I want to put a couple of cases on the record as  
16 far as inappropriate argument.

17          THE COURT: Go on. Just speak up in the  
18 microphone.

19          MR. FAZEL: That would be *United States vs.*  
20 *Garcia* 522, Fed 3d, 597, Fifth Circuit, 2008; *United*  
21 *States vs. Carol*, 26 Fed 3d, 1380, Sixth Circuit 1994;  
22 *United States vs. Manning*, 23 Fed 3d, 570, Fifth Circuit  
23 1994; *United States vs. Kerr*, excuse me, 981 Fed 2d  
24 1050 --

25          THE COURT: What are you reading from? You are

1 not reading from my book, are you?

2 MR. FAZEL: No, sir. These are all reversibles  
3 by circuits talking about the type of argument that  
4 Mr. Perez made. With all due respect, I would request a  
5 mistrial based on that.

12:46:59 6 THE COURT: Which is what? For what reason?  
7 State it again.

8 MR. FAZEL: Sure. Vouching for the  
9 credibility --

12:47:05 10 THE COURT: Hold it. Slow down, please.

11 MR. FAZEL: I'm sorry. Vouching for the  
12 credibility of the prosecution witnesses.

13 THE COURT: All right. What is your response?

14 MR. PEREZ: My response is: Of course I'm going  
15 to say that they are good people, Judge.

16 THE COURT: Well, what about all those cases?

17 MR. PEREZ: Well, I don't -- I think they are  
18 distinguishable, Your Honor.

19 THE COURT: You haven't read them, right?

12:47:21 20 MR. PEREZ: I haven't read them. I didn't know  
21 he was going to make that argument.

22 THE COURT: You heard the cases. Discuss it with  
23 him. Take a look. Okay. If it's marginal or close, we  
24 don't want to jeopardize anything. I can -- if I need to,  
12:47:32 25 I'll cure it with an instruction. My inclination now is

1 not to. If it comes close, let me know at the end of the  
2 lunch break. Okay. And if you have no problem with some  
3 sort of a qualifying instruction, I'll consider it, if you  
4 know what I'm saying. Okay.

12:47:49 5 MR. PEREZ: I understand.

6 THE COURT: I saw nothing wrong with it  
7 initially. But based upon counsel's statements, he has  
8 got cases there. Take a look at them. And if you need --  
9 and we have. We have conceded, all three of us, both the  
12:48:03 10 two attorneys and myself, from time to time on  
11 instructions and additions and corrections and pulling  
12 them and putting them in. If you need one out of an  
13 abundance of caution, I'll give it because that's what he  
14 is asking for.

12:48:15 15 However, motion for mistrial is denied.

16 MR. FAZEL: Yes, sir. I'm going to e-mail it to  
17 the government right now.

18 THE COURT: Let's put it this way: As an  
19 alternative, do you want an instruction?

20 12:48:25 MR. PEREZ: I think it would be --

21 THE COURT: Well, hold it. I'm trying to put him  
22 in a box. Okay. Hang on. Motion for mistrial is denied.

23 Would you, as an alternative, would you want an  
24 instruction?

25 12:48:36 MR. FAZEL: Given the ruling, yes, Your Honor, I

1 would.

2 THE COURT: All right. Just consider it. I'm  
3 not saying I'm going to do it. See what it says. All  
4 right?

12:48:42 5 MR. PEREZ: Yes, sir.

6 THE COURT: We'll see you back. The advocacy  
7 never ends. That's all right. That's all right. We'll  
8 see you back ready to resume at, what is it, 1:45.

9 MR. PEREZ: Thank you, Your Honor.

10 (Recess from 12:48 p.m. to 1:50 p.m.)

11 THE COURT: All right. What have you discussed  
12 or decided concerning that objection defense counsel has?

13 MR. PEREZ: Out of an abundance of caution, Your  
14 Honor, an instruction would be fine.

01:51:01 15 THE COURT: All right. What kind of instruction  
16 do you suggest?

17 MR. PEREZ: Just argument and to follow the  
18 Court's charge and the triers of fact and you are the  
19 judges. Give them instructions. That is basically it,  
01:51:16 20 Judge.

21 THE COURT: Well, what do you say? Insufficient?

22 MR. FAZEL: I would say it's insufficient, --

23 THE COURT: What else?

24 MR. FAZEL: -- for the record. However, if the  
01:51:25 25 Court is to instruct, my suggestion is it would be an

1 instruction discussing the fact that witnesses and folks  
2 that work for lawyers and folks that work for the  
3 government and the folks that work for the defense are  
4 just that and that they should not be given any credence  
5 to allow the lawyers to inflate the stature of certain  
6 individuals at their table. And I mean that in, of  
7 course, a friendly way.

8 THE COURT: All right. Okay. Hang on one  
9 second. And you are referring to the comment about an  
01:52:29 10 angel, correct?

11 MR. FAZEL: Correct.

12 THE COURT: Okay.

13 MR. FAZEL: I believe it was "angel."

14 MR. MAGLIOLO: I thought he said angle, Your  
01:52:46 15 Honor.

16 (Laughter.)

17 THE COURT: Okay. All right. Let's call the  
18 jury in.

19 (Jury entered courtroom at 1:53 p.m.)

01:54:05 20 THE COURT: Thank you. Be seated.

21 MR. FAZEL: Can I use the microphone?

22 THE COURT: Might as well.

23 Ladies and gentlemen, I'm going to give you an  
24 instruction that, as you noted, that counsel for the  
01:54:27 25 government made a comment concerning a deputy to be

1 considered an angel. Keep in mind that whether you work  
2 for the government or work for the defense, no special  
3 credence should be given as far as extra weight goes just  
4 because someone is classified either as a police officer  
5 or an angel or whatever, okay, relative to that.  
01:54:46

6 Any comments by the government attorney or the defense  
7 attorney is not evidence. You will consider the evidence  
8 as submitted to you and the testimony that you receive  
9 during the trial and weigh it as you see fit. All right.

10 The instruction has been given.  
01:55:03

11 Counsel, your time has started. Go right ahead.

12 MR. FAZEL: Thank you, Your Honor. May I  
13 proceed?

14 THE COURT: Yes.

15 MR. FAZEL: Thank you. Ladies and gentlemen of  
16 the jury, Mr. Prosecutors, agents.  
01:55:11

17 Ladies and gentlemen, when I first spoke with you ten  
18 days ago or so, I brought out eight points that I recall;  
19 and I took notes from it. I told you who the defendant  
01:55:26 20 was. I told you her name, Raquel Medeles-Garcia. I told  
21 you how old she was, 68. I told you that she was from  
22 Mexico. I told you when she was born, and I told you that  
23 she has four children.

24 And on the first day I told you that you will find out  
01:55:43 25 that there is prostitution involved. We knew that on the

1 first day. In my opening statement I admitted to that,  
2 and I fully admit to that right now. There is no doubt --  
3 there is no debate about the fact that there was  
4 prostitution going on at Las Palmas.

01:55:58 5 But I also told you something else, something that's  
6 fundamental that I want you to keep in mind; and it's very  
7 simple. We are in the federal courthouse in Houston. We  
8 are not at 1201 Commerce, which is the Harris County  
9 courthouse. We are not under Texas law. Under federal  
01:56:18 10 law, prostitution is not illegal.

11 That is a fundamental fact that I want you to keep in  
12 mind. What they are trying to do, my esteemed colleagues  
13 are trying to do, is bootstrap a state case and make it  
14 into a federal case. That's all they are trying to do.

01:56:41 15 Now, I can tell you I'm not going to take all the hour  
16 and 15 minutes. I'm going to give you some time back. I  
17 do want to go over the instructions that the Judge gave  
18 you. I don't want to read it to you again because I know  
19 you guys will take care and read it, but I do want to  
01:57:00 20 point out some important things in the instructions that I  
21 want you all to be careful of.

22 The first one is right off the bat on the second page,  
23 the last -- to the last full paragraph. It simply says  
24 that the charging instrument that you are about to get a  
01:57:19 25 copy of is just that, a charging instrument. It puts us,

1 the accused, the citizen accused, on notice as to what it  
2 is that we are charged with. Now, this is -- the  
3 indictment or formal charges against the defendant is that  
4 paragraph that I'm referring to.

01:57:34 5 There is another part to this that's important. It's  
6 the last sentence. The law does not provide the defendant  
7 -- excuse me, require the defendant to prove his innocence  
8 or produce any evidence at all.

9 I want you all to understand something. You are the  
01:57:52 10 only part of the legal system that presumes a citizen  
11 innocent. It's not the police. It's not the judge. It's  
12 not the lawyers. It's you, the judges of the facts. If  
13 you don't presume someone innocent, the system has failed.

14 So all this TV stuff you hear about presumption of  
01:58:16 15 innocence, all that, put that aside for a second and  
16 understand something. Today you are living it. Because  
17 it is your job and you took an oath that you will presume  
18 the accused innocent in this case. And I'm going to hold  
19 you to that oath. And I promise you so will the accused.

01:58:34 20 The next thing, again, is reasonable doubt. Next  
21 page. It defines "reasonable doubt" for you. I'm not  
22 going to read it for you, but it's important for you to  
23 understand that's the standard.

24 Why is it so important in this case? It's because  
01:58:46 25 there are so many moving parts in this case. The statutes

1 themselves are confusing. They are confusing to lawyers.  
2 I can tell you, and they can object. This is not in  
3 evidence. But we were here until 6:00 yesterday going  
4 over statute and law. It's confusing to us. So I know  
5 it's going to be confusing and time-consuming for you  
6 guys.

7 I do ask you to take your time reading the statutes  
8 themselves. These are conspiracies to commit underlying  
9 crimes, aiding and abetting to commit underlying crimes.  
01:59:19 10 It is -- it's a maze. And the Judge has done a wonderful  
11 job of putting it down on paper for you, but I know it's  
12 confusing. So please keep that in mind.

13 Now, I want to talk to you about -- I want to talk to  
14 you -- I want to interlay when we go over these documents  
01:59:39 15 with the evidence that was provided to you. I just want  
16 to briefly but quickly go through all of that.

17 Your Honor, if we could have the screen, I would  
18 appreciate it.

19 Ms. Stoelker, if you could put up the chart. Okay.  
02:00:13 20 Whenever you can, double it. I think it's on the bottom,  
21 Karen, on the left.

22 That is the chart you guys have seen a lot of.  
23 Whoops. That was the chart you all have seen a lot of.

24 There you go. Thank you, Karen.

02:00:27 25 But this chart is a little different. This chart

1 deals with --

2 THE COURT: Do you want to pull that mic, the  
3 little mic, up a little higher.

4 MR. FAZEL: Yes, Your Honor.

02:00:40 5 THE COURT: There you go.

6 MR. FAZEL: This charge deals with something  
7 fundamental -- excuse me, Mr. Magliolo. And this is it.  
8 You have to understand that the first count -- and this is  
9 critical. The first count starts sometime in 2009, right  
02:00:55 10 here. All the evidence and all the witnesses prior to  
11 this time cannot be considered as far as Count 1 is  
12 concerned unless you are considering it for the statements  
13 that are made in the instructions the Judge gave you, and  
14 I will go over that in a minute.

02:01:16 15 What I need to explain to you all is this: Anything  
16 before 2009, any of the witnesses, any of the ladies who  
17 testified before 2009 are not witnesses, or facts that  
18 they provided to you, are not relevant to the first count.

19 And here is why. The first count, according to the  
02:01:42 20 charging instrument, begins in 2009. Now, what I want to  
21 do is just, if I can, jump to that count. You will find  
22 that on Page 15. It's a conspiracy.

23 I am going to read this to you. I can't help it. I  
24 think it's the only way to do this. "The defendant and at  
02:02:12 25 least one other person made an agreement to commit the

1 crime of sex trafficking." At least one other person made  
2 an agreement to commit the crime of sex trafficking.

3 "The defendant knew the unlawful purpose of that  
4 agreement." So there are two people that get together  
02:02:33 5 that make an agreement to commit the crime. They have to  
6 have the same mental intent. They have to both agree as  
7 to the crime. They have to agree to it. And they have to  
8 join it willfully. That's what a conspiracy is.

9 Then it describes what it is, the crime that they  
02:02:56 10 agreed to do. And that's what the next paragraphs are  
11 about. So it's a conspiracy to commit the crimes that are  
12 explained behind it.

13 Now, let's think about that with the facts of the  
14 case. They are alleging that this 68-year-old woman, who  
02:03:18 15 I will tell you right now was involved in prostitution,  
16 was in a conspiracy with other people to have sex  
17 trafficking occur.

18 Here is the problem. Not one single pimp came to  
19 testify. The only one they called a pimp was Mr. Barbosa,  
02:03:42 20 if I'm saying his name correctly. He testified that he  
21 had one girlfriend or wife that worked at Las Palmas. Do  
22 you all remember him? He was towards the end. He was one  
23 of the people that allegedly wanted to take over and  
24 manage the place. If you look at that chart --

02:03:58 25 Excuse me, Mr. Magliolo.

1       If you look at that chart, we're talking about this  
2 gentleman right here. This gentleman right here. And the  
3 government was nice enough to put his name for you on this  
4 one. This guy right here.

02:04:12     5       So he and three other people were supposed to manage  
6 it, and they called him a pimp. But throughout the entire  
7 testimony of the trial you heard over and over and over  
8 again what a real pimp is. Every single female that  
9 testified -- and I am not here to tell you that what they  
02:04:31     10      went through is okay. That's not what this case is about.  
11      This case is not about what the pimps did to those girls  
12 or didn't do to those girls, whether you believe that or  
13 not.

14       This case is about whether my client, the defendant,  
02:04:45     15      the accused, engaged in a conspiracy involving those  
16 girls. And the answer to that, folks, is no; and they  
17 certainly didn't prove it. Every one of those girls said  
18 the same thing. They were recruited in Mexico. Every  
19 single one. Not by the accused. They were dragged from  
02:05:02     20      Mexico into the United States by different means,  
21 different manners, different reasons. Every single one  
22 said that. Every single one said they were brought in by  
23 coyotes illegally. Every single one said that. Every  
24 single one said the money went to them, the pimps, not the  
02:05:21     25      defendant. Every single one said that. Every single one

1 said they did what the pimps asked them to do. They went  
2 where the pimps wanted them to go when the pimps wanted  
3 them to go. Every single one said that. Every single one  
4 said that.

02:05:36 5 So the question I have for you, the thing I want you  
6 all to think about is this: If this is a conspiracy, who  
7 are the other conspirators? Where are they? Where are  
8 these pimps? What happened to them? Why aren't they  
9 here? If they are the conspirators with the defendant,  
02:05:55 10 where are they? They are not here. None of them  
11 testified. They don't have a single one.

12 This is why they don't have the first case, the first  
13 count, because it's not a conspiracy. Think about  
14 something else. They talk about this idea of the -- the  
02:06:21 15 idea of these girls coming in with bruises. Do you all  
16 remember that? The bruises? That they had bruises. That  
17 they didn't want the cops to see the bruises and so forth.

18 So how could it be a conspiracy if they have  
19 recordings talking about the fact that the accused didn't  
02:06:37 20 want the bruises to be shown? If it's a conspiracy,  
21 wouldn't they just go talk to the pimps and say, hey, I  
22 can't have girls with bruises coming in. And the pimps  
23 would say, okay, well, I'm not going to do that because  
24 I'm going to lose the money. It defies common sense that  
02:06:53 25 these people were working together.

1        You heard over and over and over again the fact that  
2 these girls worked at other bars, that they went where  
3 they were told to go. So if they are working together,  
4 why not just work at her bar? Because they weren't  
5 working together. Because these pimps were independent.  
02:07:07

6           I will tell you who the conspiracy is. The conspiracy  
7 are the pimps and the family of the pimps that were  
8 running the girls in Houston. Maybe they ought to charge  
9 them with sex trafficking since clearly they did it. And  
02:07:24 10 there is plenty of evidence to that. But there is no  
11 evidence before you that she was involved in any of that.

12           This is why this case is not something that should be  
13 in this court but should be something in Harris County  
14 because in Texas prostitution is illegal. I agree with  
02:07:45 15 you. But not in this court, not before David Hittner,  
16 Judge David Hittner. Sorry, Your Honor. Not before him.

17           If I'm repetitive, I apologize; but I want to make  
18 sure I hit every point. The pimps transported. They  
19 pimped the girls. They did pimp the girls. They were  
02:08:06 20 mean about it. There is no debate about that. I am truly  
21 sorry about that. Nobody likes those facts. They  
22 manipulated the girls, and you heard about it. Some of  
23 the girls fell in love with the pimps. Some of the girls  
24 just -- you wonder sometimes what, for God sakes, but they  
02:08:22 25 involved themselves in these activities. That's all true.

1       None of them said, oh, she was the one that did it.

2 Oh, this lady right here took me from Mexico and brought  
3 me over here and asked me to engage in prostitution. None  
4 of them said that. None of them.

02:08:39 5       They paid for the trip illegally to the United States.  
6 You had girls -- and I know you all heard the testimony --  
7 going back to Mexico on a plane and called their pimps  
8 before they got on the plane. You all remember that  
9 testimony. She had nothing to do with any of that.

02:08:59 10     Then we heard ad nauseam about these rules. You  
11 remember these rules. You remember the talk about the  
12 rules? What is the rules? What is the rules? Let's talk  
13 about those rules. Because there was prostitution,  
14 because the house was involved in prostitution, there was  
02:09:15 15 money to be made. And the house had rules. And they had  
16 to pay the house. That's true.

17     But if this was a conspiracy, why do it that way? You  
18 can take whatever inferences you want from the evidence.  
19 Why not just have the pimps pay them? Why have the girls  
02:09:34 20 pay them? Why have these sheets? Why have all this  
21 activity going on about what these girls did? We'll talk  
22 about these sheets and money laundering in a minute.

23     All this evidence, I would submit to you, shows one  
24 thing. There is no conspiracy. None.

02:09:54 25     Let's talk about the other elements because this is

1 also important, as well. If you switch to Page 22 --  
2 excuse me, 23 and 24. This is one of the most confusing  
3 parts of this document. On the last page of 24 I'm not  
4 going to -- I don't want to read all this to you, but I do  
5 want to encourage you to read some of this. The last full  
6 paragraph. It says, "Proof beyond a reasonable doubt on  
7 one is enough but in order to return a guilty verdict all  
8 must agree that at least one has been proven."

9 What we are all trying to tell you there is, as the  
02:10:46 10 government has said, there are four ways to prove the  
11 underlying charge of sex trafficking, four different ways.  
12 The law requires you to all agree as to one of them, at  
13 least one of them. So if six agree on one, six agree on  
14 the other, you don't have an agreement. All 12 have to  
02:11:08 15 agree as to one and at least one.

16 You have to be unanimous as to which one you agree to.  
17 I want to be very clear about that. So it's not that you  
18 have to pick one. Yes, you have to pick one, at least  
19 one. But you have to also be unanimous as to that one,  
02:11:25 20 and that's important for you all to remember. Please keep  
21 that in mind.

22 All right. Lots of testimony about blue lights. Do  
23 you remember that? There are blue lights here, blue  
24 lights there. Oh, we are worried about police. Yes.  
02:11:42 25 Yes. They are worried about illegal activity. Every

1 witness that you heard about I asked the same question.

2 Are you worried about HPD?

3 Yes.

4 Houston Police Department?

02:11:50 5 Yes.

6 Are you worried about getting arrested for  
7 prostitution?

8 Yes.

9 THE COURT: Slow down a little bit, Counsel,  
10 please.

11 MR. FAZEL: Yes, Your Honor. I'm sorry.

12 That's what they were worried about, not sex  
13 trafficking. They had no idea the feds were doing this.  
14 They were worried about HPD and vice. And HPD and vice  
02:12:10 15 came in a couple of times. There is a video recording of  
16 it.

17 Okay. I'm going to talk to you a little bit about  
18 each one of the girls that testified just briefly and hit  
19 them very, very briefly. I'm not looking to go over  
02:12:34 20 everything they said, but I wanted to talk to you just  
21 briefly about each one of them.

22 XXXXXXXXXXXXXXXXXXXXXXX was the first lady who testified.  
23 There is one defense exhibit in evidence, and that's her  
24 statement. Please compare what she told you to what she  
02:12:52 25 swore an oath to before. I don't want to call her a liar,

1 but I'm telling you it is completely different. Nobody  
2 ever said that they were locked up in rooms. As a matter  
3 of fact, everybody said I don't know what you are talking  
4 about. Nobody said, Oh, we were locked up in Las Palmas.  
5 Nobody but her.

02:13:16

6 What happened to her was terrible. I agree. But is  
7 she making it bigger? I don't know. That's your job to  
8 make that decision. I am glad it's not mine. Is she  
9 making a bigger deal than what happened to her? Is she  
10 conflating? Is she confused? Is she just angry and mad?  
11 I don't know. I don't know. But I can tell you her  
12 statement was written, and what she told you all is  
13 completely different.

02:13:35

14 The next lady who testified, her last name was  
15 XXXXXXXX. I'm just going to use the last name. She was  
16 not a minor. Her pimp -- and I'm going to name every one  
17 of these pimps for you -- Armando Flores. They fell in  
18 love. She was 24 years old in the United States. She is  
19 another one that I confronted with her sworn statement on  
20 cross-examination. I know you remember the testimony. I  
21 don't want to go into it. She is the one that was the one  
22 that escaped from her pimp, called him on the way to  
23 Mexico and said I'm coming and flew back to Mexico and  
24 then came back into the country again.

02:14:12

25 The next one they talked about was XXXXXXXXXXXXXXX.

1 Her pimp, Ivan Salazar. She engaged in prostitution for  
2 two years in Mexico before she came into the country. She  
3 worked at four locations, at least, as well as Las Palmas.  
4 And she was arrested on a raid in 2006 and deported from  
5 the United States. That's it.

02:14:58 6 The first one -- excuse me, the second one I asked  
7 her, Was it your pimp that told you where to go?

8 Yes.

9 Was it your pimp that told you how much money to make?

02:15:10 10 Yes.

11 Was it your pimp that told you what to do with the  
12 money?

13 Yes.

14 Every single one of these girls said that. Every  
02:15:17 15 single one of them said the pimp is the one that did it.

16 The next one, XXXXXXXXXXXXXXXXXX. She was a minor in  
17 Mexico when she met her pimp. She fell in love with her  
18 pimp. Her pimp's name is Luis Moreno-Salazar. Perhaps a  
19 codefendant in a conspiracy not involving this defendant  
02:15:36 20 but the actual conspiracy, the real thing that happened,  
21 which is these pimps, the criminals. She changed her  
22 story several times with immigration, at least this is  
23 what she told us.

24 The next one is XXXXXX -- Ms. XXXXX, if I'm saying  
02:16:01 25 that name correctly. Excuse me if I'm not. Her pimp's

1 name was Solomon Guzman-Lila. This is the young lady who  
2 went from Houston to Florida and then back to Houston.  
3 And this is the one that we confronted with the fact that  
4 she could not identify previously the defendant as easily  
02:16:18 5 as she could identify in court. You can take whatever  
6 thought into that as you will. You heard several times  
7 that I asked whether these folks had met with the  
8 government before testifying and whether they have seen  
9 photos before they testified and took the stand and said,  
02:16:31 10 oh, yeah, yeah, that's Tencha. It's a lot easier when her  
11 picture is right there with her name underneath it. It's  
12 not that complicated.

13 The next one is XXXXXXXXXXXX. Her pimp's name was  
14 Gerardo Salazar. Again, the same stuff. Over and over  
02:16:52 15 again the same things. All these girls said the same  
16 things. That they were the pimps that controlled them.  
17 They were the pimps that told them where to go. The pimps  
18 that told them how much money to make, how much money to  
19 charge.

02:17:07 20 I'm going to skip to XXXXXXXXXXXX. Ms. XXXXX was a  
21 young lady who had an affair with one of the confidential  
22 sources, the first one, Mr. Cepeda. Mr. Cepeda admitted  
23 to having sex with a 16-year-old to this detective right  
24 here. And according to my notes, he made that admission  
02:17:35 25 in 2013, April. That confidential source was still

1 allowed to continue to do his activities.

2 This detective got on the witness stand and said, Oh,  
3 she said that he is lying. It didn't happen.

4 He got on the witness stand and said, I'm offended at  
5 these girls wearing short skirts; but then, I decided to  
6 have sex with one of them, over again, a couple of times.  
7 Oh, and I dated her. But I was offended. That  
8 confidential source we'll talk about in a second.

9 Ms. XXXXX admitted that she was allowed to travel  
10 freely, that she was allowed to date other people and she  
11 was allowed to go out.

12 Ms. XXXXXXXXX or Ms. XXXXX, I'm not sure which name is  
13 correct, was the next one. She was the one that met her  
14 -- again, her pimp in Mexico. And she was also in Las  
02:18:51 15 Palmas for a short period of time. And a lot of these  
16 gals were there for a short period of time. Again, I know  
17 you all remember this. I don't want to repeat everything  
18 that you heard. Her pimp, by the way, was Clemente  
19 Melendez.

02:19:11 20 Ms. XXXXX was a minor. This is the young lady who we  
21 heard about that fell in love with her pimp, came to the  
22 United States because she thought she was doing him a  
23 favor. She thought that she was her -- his wife, found  
24 out she wasn't and then got upset; and she was allowed to  
02:19:28 25 leave.

1 Now, what is interesting about that is this: When I  
2 confronted her with the fact, did anybody at Las Palmas  
3 stop you from leaving?

4 No.

02:19:36 5 Could you leave if you wanted to?

6 Yeah.

7 She left, and she heard from somebody at Las Palmas  
8 about another place of prostitution in Chicago. So she  
9 went to Chicago and continued to prostitute herself.

02:19:48 10 Again, I'm not saying this is a good thing. I'm just  
11 saying this is what she said. She came back to Houston;  
12 and then, they got her.

13 If this is a sex trafficking case involving a  
14 conspiracy, why is it that these girls when they can leave  
02:20:04 15 whenever they want and come whenever they want, where is  
16 the slavery of it other than --

17 THE COURT: The what? Speak up a little bit,  
18 please.

19 MR. FAZEL: I'm sorry. Where is the slavery of  
02:20:14 20 it unless you look at the pimps? They are the folks that  
21 are enslaving them.

22 Juan Cepeda, the first confidential source. He was  
23 arrested and then decided to become a confidential source  
24 at some point in time. He is the one that had sex with  
02:20:38 25 XXXXXXXXXXXXXXX. He decided when to turn on the recorder

1 and when to turn off the recorder. He got paid for his  
2 services. He wasn't deported. He got to keep the money  
3 he made when he was working there.

4 And, of course, I'm sure there is no recording of him  
02:20:59 5 dating XXXXXXXXXXXXXXX. I'm sure the government would have  
6 turned that over. One of the other things he did when he  
7 didn't have the recording on. They never charged him with  
8 sexual assault. If you believe their story, the  
9 government's story, then he ought to be charged along with  
02:21:20 10 the accused that's sitting before you here today. He is  
11 not.

12 And the other source, Juan Carlos Munoz, he has  
13 recordings of them talking about pimps. Okay. The  
14 government wants you to believe just because somebody  
02:21:43 15 knows that there are pimps out there that makes them a  
16 conspirator.

17 Please don't agree with that. And here is why. In  
18 order to have a conspiracy, you have to have an agreement  
19 between two people. And that agreement has to be clear.  
02:22:00 20 The intent has to be the same for two people if there is  
21 nobody that they are presenting to you that's a  
22 conspirator, not one single person that you can think of  
23 that took that witness stand and you can say, "Oh, that's  
24 her conspirator." Not a single one of them.

02:22:17 25 MR. MAGLIOLO: Your Honor, we have to object to

1 that. That's not the law that a conspirator has to take  
2 the witness stand and testify. It is clearly not the law,  
3 Your Honor.

4 MR. FAZEL: Your Honor, may I respond?

02:22:24 5 THE COURT: Yes.

6 MR. FAZEL: I can certainly argue that. I'm not  
7 saying that's the law. I can certainly say they could  
8 have easily got one and put them on the witness stand.  
9 That's an argument.

02:22:34 10 MR. MAGLIOLO: As long as he concedes it's not  
11 the law, Your Honor, I have no objection.

12 THE COURT: All right. Continue, please.

13 MR. FAZEL: Here is what I do concede.

14 THE COURT: By the way, just a moment, if any of  
02:22:40 15 you people can't see behind the pole, you are free to move  
16 throughout the courtroom. I just want to let you know  
17 that. Okay. I can't do anything with that pole. All  
18 right. Even with all those screens.

19 Okay. Go on, please.

02:22:52 20 MR. FAZEL: Thank you, Your Honor.

21 Here is what I do concede. Here is the charge the --  
22 that the Judge gave you. The defendant and at least one  
23 other person made an agreement to commit the crime of sex  
24 trafficking as charged in the indictment, made an  
02:23:05 25 agreement to commit the crime of sex trafficking. That

1 doesn't -- they don't have that here.

2 Then we had the three individuals. Mr. Barbosa came  
3 on the witness stand and testified. His nickname was Eli.  
4 He talked about when they allegedly became the managers  
5 there. What is interesting to me there was, again, the  
6 one thing that I have already told you about, which is  
7 that each one of those three managers -- and they are up  
8 there. I'll go with nicknames: Eli, El Pantera, and  
9 Mr. Flores -- Mr. Mendez-Flores.

02:23:43 10 Every one of them had either girlfriends working there  
11 or wives that were working there. Neither one of them  
12 were pimps. None of them -- there is no testimony that  
13 any of them forced anybody to do anything. Not one.

14 And, by the way, in cross-examination we found out  
02:24:02 15 that Teloxa-Barbosa was actually just charged with one  
16 count of harboring. No sex trafficking. He was running  
17 the place. So if he is not sex trafficking, then why is  
18 Ms. Medeles-Garcia sex trafficking? Because she is not.

19 I want to talk to you about XXXXXXXXXXXXXXXXXXXX.  
02:24:39 20 She was the young lady that was on the witness stand  
21 towards the end. She worked at Las Palmas for eight  
22 months. I do want to concentrate on her a bit because she  
23 said two things that I thought were very interesting.  
24 First of all, she said she heard girls talking about the  
02:24:53 25 fact that if they say certain things they were able to

1 obtain immigration documents. She heard that. She  
2 testified to that. She also testified to the fact that  
3 the girls were talking about all the times their pimps  
4 would take them out to have fun and go out.

02:25:09 5 Why do I say this? Because I want to talk about  
6 something that's fundamental that's missing with the  
7 government's case, as well. The government, in order to  
8 make their case as far as money laundering -- and I'm  
9 going to go into the money laundering now.

02:25:25 10 THE COURT: Raise your voice a little bit.

11 MR. FAZEL: Each one of those counts -- sorry,  
12 Your Honor. I just don't want to scream.

13 THE COURT: Your voice is just trailing off a  
14 little.

02:25:32 15 MR. FAZEL: Each one of those counts -- I  
16 apologize. Thank you. Each one of those counts involved  
17 moneys obtained from sex trafficking.

18 Do you remember the sheet that Mr. Perez put up there?

19 MS. STOELKER, can you pull that up? I forget the  
02:25:52 20 exhibit number.

21 I found something interesting about this the entire  
22 time of the case.

23 If you can. I think it's Exhibit 39.

24 MS. STOELKER: I've got it.

02:26:19 25 MR. FAZEL: In all fairness, Ms. Stoelker hasn't

1 done this before. This is her first time. So it's okay.

2 Take your time.

3 MS. STOELKER: It's my mouse. I'm sorry.

4 MR. FAZEL: Do you mind doing it for me?

02:26:37 5 MS. POUNCEY: No.

6 MR. FAZEL: Judge, can we switch to the  
7 government so that we can -- I hate to do that to  
8 Ms. Stoelker.

9 MR. PEREZ: We have to plug in, Your Honor.

02:26:48 10 MS. STOELKER: Thanks, Lolita.

11 MR. FAZEL: While they are doing that, I want you  
12 to look at, if you don't mind, looking at the counts  
13 involving money laundering. These would be on Page 27.  
14 Again, somewhat convoluted because it's actually not money  
02:27:15 15 laundering. It's aiding and abetting money laundering.  
16 But look at Page 29.

17 Thank you.

18 THE COURT: I think you have got it up there now.  
19 You want, what, 39? Or do you want to look at money  
02:27:36 20 laundering first?

21 MR. FAZEL: While she was pulling it up, if you  
22 don't mind pulling it up and leaving it up there.

23 Thank you, ma'am. Thank you. That is perfect. On  
24 Page 29 at the very end of it, please, for the totals.

02:27:45 25 On Page 29 it talks about money laundering and the

1 elements of money laundering. Starting on the top of the  
2 page you'll see that it says the offense of money  
3 laundering alleged in Counts 3, 4 and 5. And then it  
4 talks about it has to be associated with a venture, just  
5 like any aiding and abetting. Then it goes down the page  
6 and it talks about Count 3, Count 4 and Count 5 are about  
7 the same thing except different activities that they are  
8 calling money laundering.

9       But if you go to Page 30 it will tell you on the sixth  
02:28:02 10 element, excuse me, which involved proceeds of specified  
11 unlawful activity, that is sex trafficking. Look at that.  
12 Mr. Perez said, Oh, any sex trafficking. Okay. Let's  
13 take any sex trafficking.

14       Well, here is my problem. Do you see all those  
02:28:39 15 numbers up there? We know -- let's assume for the sake of  
16 argument this all came from Las Palmas and from  
17 prostitution. How do we know that all this money came  
18 from folks that were forced, coerced, duressed? We don't.  
19 They are wanting you to believe that. They are making  
02:28:59 20 that giant leap. There is no proof. They didn't put on  
21 one single piece of evidence that shows all this money was  
22 from all girls --

23           MR. MAGLIOLO: We would have to object again,  
24 Your Honor. Counsel is misstating the law that all the  
02:29:11 25 money has to come from sex trafficking. Just proceeds

1 have to come. Not all the proceeds, not all the money.

2 Proceeds come from it, Your Honor.

3 THE COURT: All right. Continue.

4 MR. FAZEL: Thank you, Your Honor.

02:29:21 5 Do you remember Mr. Perez going out there and saying,  
6 look at how many times these poor girls went in there,  
7 64,000 times? Here is the problem with that theory. We  
8 don't know which girls, and we don't know if they were  
9 forced.

02:29:33 10 And here is another thought. Do you remember Agent  
11 Perry, Pierre Perry, talking about there were 30 people  
12 that were arrested and these 30 people were deported and  
13 most of them were women? Surely if these women that were  
14 arrested at the very end, surely if they were trafficked,  
02:29:49 15 surely if they were forced and coerced, surely these  
16 able-bodied prosecutors would have stopped and said these  
17 are witnesses. And they didn't. They deported all of  
18 them.

19 So when you look at this charge --

02:30:01 20 MR. MAGLIOLO: We have to object again. We don't  
21 deport people, Your Honor. So we object to him saying we  
22 deported some people. We didn't deport anybody.

23 MR. FAZEL: I'm sorry, Your Honor. I'm not sure  
24 who deports people other than the United States  
02:30:12 25 Government.

1 THE COURT: Just keep going.

2 MR. FAZEL: I'll move forward.

3 THE COURT: Keep going.

4 MR. FAZEL: So before you do that, just keep that  
02:30:19 5 in mind that these proceeds that they have starting on  
6 Page 30, the \$22,265.78; Page 31, the \$21,330.28; and  
7 Page 32, the \$26,242.36 have to be involved in sex  
8 trafficking. They didn't prove that. They just didn't do  
9 it. They didn't connect the dots. You have no idea where  
02:30:48 10 that money came from. You know it came from Las Palmas.  
11 Let's assume that for a second. Let's just assume that.

12 What you don't know is if it's young ladies who were  
13 forced, coerced or not. Because even every single witness  
14 said there are over 30 women there a night, and they  
02:31:08 15 brought you 12. And I would submit to you even if those  
16 folks were coerced, the defendant didn't know about them.  
17 And even if they were, that's only 12 of them.

18 This is why I would respectfully submit to you that  
19 the answer to the money laundering counts, all of them,  
02:31:33 20 including the last one on Page 36, the fifth element,  
21 which transactions involved proceeds of specified unlawful  
22 activity, even that element they didn't prove.

23 Judge, how much time do I have? I'm sorry.

24 THE COURT: You've used 37 minutes.

02:32:07 25 MR. FAZEL: Thank you.

1       When I first started I told you that you all took an  
2 oath and that you guys are the people that assume her  
3 innocent. She has absolutely no duty to testify. It's in  
4 the charge. Absolutely no duty to put on evidence.

02:32:30     5 That's in the charge. And she has a lawyer who tells her  
6 what his opinion is, and she followed it. Don't hold that  
7 against her. Hold it against me.

02:32:53     8 I would submit to you that what you have seen today  
9 and this week and the previous week is simply that they  
10 have a prostitution case and they are trying to boost up a  
11 federal case in front of it. I would ask for you to  
12 return a not guilty verdict as to every single count and  
13 send her home.

14       They had confidential sources that they didn't charge  
02:33:11     15 with zero to life counts like they charged the defendant.  
16 They had co-defendants that they brought in. They brought  
17 her children in to testify against their mother, and every  
18 single one said the same thing. Yeah, we knew about  
19 prostitution; but nobody sex trafficked, nobody enslaved  
02:33:28     20 anybody. We don't know what you are talking about. Every  
21 one of them said there was nobody locked up anywhere.  
22 These are their witnesses. They brought them in. They  
23 charged them; and then, they gave them a reduction in  
24 time.

02:33:44     25 And they charged a 68-year-old woman with a zero to

1 life count. Didn't bring you a single pimp. Didn't bring  
2 you anybody like that.

3 I ask you to do what I think is the legally correct  
4 thing to do, which is to find her not guilty of every  
02:34:07 5 single count in this case. They talked about the fact  
6 that, oh, there is a human trafficking statute that  
7 Congress has passed; and there is funding for it. Sure.  
8 I understand that. And I appreciate the fact that they  
9 want to use those funds and they feel like they need to  
02:34:26 10 charge people. I appreciate that, too.

11 But this particular case involving these particular  
12 facts, the only correct answer, I would submit to you, is  
13 a verdict of not guilty as to all counts. Thank you for  
14 your time.

02:34:42 15 THE COURT: Okay. Why don't you shift over the  
16 microphone.

17 MR. MAGLIOLO: If it's okay with the Court, I'm  
18 just going to get a little closer to them.

19 THE COURT: Move wherever you want. It doesn't  
02:34:53 20 matter. You can stand up there. Okay. Hang on one  
21 second. Let me get the time straight.

22 MR. MAGLIOLO: Am I on?

23 JURORS: Yes.

24 THE COURT: You have 27 minutes left.

02:35:03 25 MR. MAGLIOLO: Thank you, Your Honor.

1 THE COURT: All right. Are you ready?

2 MR. MAGLIOLO: Yes, sir.

3 THE COURT: All right. Go right ahead.

4 MR. MAGLIOLO: The good news is I'm not going to  
02:35:10 take very long. It's just I'm almost -- well, I need to  
6 respond to a couple of things counsel for the defense  
7 said. He spent a lot of time talking about what's a  
8 conspiracy and what is not. You look at your charge.

9 Conspiracy is just an agreement. What is the  
02:35:25 10 agreement? The agreement is to engage in sex trafficking.  
11 It takes two things, primarily, to engage in the sex  
12 trafficking; that is, the girl and a place to commit sex  
13 acts.

14 MR. FAZEL: Objection, Your Honor. That's  
02:35:38 15 incorrect. That's a misstatement of the law.

16 THE COURT: How so?

17 MR. MAGLIOLO: Yeah. How so?

18 MR. FAZEL: That it takes two things to sex  
19 traffic. No, actually, it takes seven elements to sex  
02:35:49 20 trafficking. It's in the charge.

21 THE COURT: Ladies and gentlemen, you consider  
22 the law as I have provided it to you. It's all written in  
23 there. You heard the objection.

24 Now you may move on, please.

02:35:57 25 MR. MAGLIOLO: Two of the things that it takes

1 that have to be involved in sex trafficking are the girls  
2 and a place to commit it.

3 The agreement is we bring the girls. The defendant  
4 supplies the place, and everybody makes money. That's the  
5 agreement. If you are part of that agreement, then you  
6 are in the sex trafficking conspiracy.

7 Counsel went over some of the charge with you; but he  
8 neglected, accidentally, to go over perhaps other parts of  
9 the charge.

10 Okay. So that's one way for her to be guilty is tacit  
11 agreement and, again, you look to your charge and it talks  
12 about conspiracy.

13 MR. FAZEL: Object to the term "tacit agreement."

14 THE COURT: Overruled.

15 MR. MAGLIOLO: It doesn't -- it explains it  
16 doesn't have to be a formal agreement. It's an agreement  
17 that doesn't have to be spoken, words spoken; and it tells  
18 you everybody doesn't have to agree to it. In fact, you  
19 just commit one one time; and you are in the conspiracy.  
20 But that's one way to do it, be part of the -- conspire to  
21 be part of the sex trafficking conspiracy.

22 The other way, which counsel forgot to mention, was  
23 all you have to do is conspire with someone to benefit  
24 financially from the sex trafficking conspiracy. So even  
25 if she wasn't part of the sex trafficking conspiracy, if

1 she conspired with someone like her employees who all made  
2 money off this deal to benefit from the sex trafficking  
3 conspiracy that his pimps, he talks about, were doing and  
4 he admits, then she is guilty. Again, as long as either  
5 the girls were forced and/or the girls were underage. She  
6 doesn't even have to know that if she unreasonably  
7 disregards it.

8 MR. FAZEL: Your Honor, I'm sorry. I'm going to  
9 have to object again. Counsel is misstating the law. The  
02:37:55 10 law on Page 15 is clear.

11 THE COURT: Hang on. Put the microphone on,  
12 please.

13 MR. FAZEL: As to the first element on Page 15  
14 it's crystal clear. So he is misstating the law to the  
02:38:04 15 jury.

16 THE COURT: Which one?

17 MR. FAZEL: Well, on Page 15.

18 MR. MAGLIOLO: It's knowing or reckless  
19 disregard, Your Honor.

02:38:10 20 THE COURT: The jury has it in front of them.  
21 You have heard both sides.

22 MR. MAGLIOLO: She does not have to know. Look  
23 at it. It is there. She does not have to know they are  
24 underage. She does not have to know they are forced.  
02:38:20 25 Know or recklessly disregard. I'm not going to go through

1 all the facts. You guys heard them.

2 And I'm not going to read through the definitions of  
3 conspiracy and all it explains to you. Just a couple of  
4 lines. Again, the government need not prove the defendant  
5 entered any formal agreement with the conspirators nor  
6 that they directly stated among themselves all the details  
7 of the scheme.

8 Similarly, the government need not prove that all the  
9 details of the schemes alleged in the indictment were  
02:38:54 10 actually agreed on or even carried out nor must it prove  
11 that all the persons alleged to have been members of the  
12 conspiracy were such or that the alleged conspirators  
13 actually succeeded in even accomplishing their goals.  
14 Again, all in the charge.

02:39:14 15 Two or three other things, and I'll sit down. You'll  
16 probably get a copy of the indictment sent back with you.  
17 The rules are we have to plead in the conjunctive, prove  
18 in the disjunctive.

19 THE COURT: What do you mean by that?

02:39:27 20 MR. MAGLIOLO: In the indictment it will say  
21 "and", "and", "and." What we -- what you have to  
22 determine is in the Judge's charge, and most of it are  
23 alternate means. So it's "or." Even though it's pled  
24 "and" in the indictment, you have -- the charge determines  
02:39:44 25 what you all have to do as it reads "or." It's just a

1 legal kind of thing that we're forced to do.

2 A little bit about interstate. If the girls crossed  
3 in from Mexico, crossed lines, you can use that to find  
4 interstate commerce along with the prophylactics crossing  
5 from, I think, Tijuana to -- or Taiwan to California and  
6 then to Houston.

7 We had some overt act language. Every act would be an  
8 overt act. I think there were 16,000 sex acts they talked  
9 about generating that money over a 20-month period or  
10 64,000. That's 64,000 overt acts.

11 MR. FAZEL: Judge, I object. That's a  
12 misstatement of the law. It's just not.

13 THE COURT: Go on. No. State your point.

14 MR. FAZEL: It's just a misstatement of the law.

15 THE COURT: All right. You got the law from me.  
16 I think it's clear. That's what you are to follow.

17 MR. MAGLIOLO: As far as the money in the money  
18 laundering coming from the sex conspiracy at Las Palmas,  
19 again, even her own son, David Garcia, testified that the  
20 money came from Las Palmas. Again, David Garcia, when you  
21 are thinking about whether she was trying to disguise the  
22 nature, where her money came from, he said when put in his  
23 name he had absolutely no control over any of the  
24 properties that were bought with the Las Palmas moneys  
25 that were put in his name.

02:41:34

1 On Counts 3, 4 and 5 each one was a deal buying land,  
2 putting the money into it. We show you in those counts  
3 and in the counts I proved the checks, the number of  
4 checks and you all saw all the evidence. I believe every  
5 single one of those checks was signed by the defendant  
6 even though she put the property in other folks names.

02:41:55

7 Counsel talked about some of the statements that he  
8 brought out, the affidavits that the girls had done that  
9 didn't have all the details in them. Perhaps most of you  
10 all have done affidavits. Affidavits go to a certain  
11 purpose. Those affidavits had to do with them getting  
12 status, not to do with what -- this particular crime.

02:42:19

13 Also, he talked about proceeds from the specified  
14 unlawful activity. It doesn't say all proceeds. It just  
15 says proceeds from a specified unlawful activity.

02:42:39

16 If you have any question, the charge lays it out in  
17 detail. Look at it. Based on the evidence and only the  
18 evidence, the credible, believable evidence, there is  
19 sufficient evidence for you to find the defendant guilty  
20 on all counts. Thank you very much.

21 *(End of requested excerpt.)*  
Date: August 4, 2016

22 **COURT REPORTER'S CERTIFICATE**

23 I, Laura Wells, certify that the foregoing is a  
24 correct transcript from the record of proceedings in the  
25 above-entitled matter.

24  
25 /s/ Laura Wells  
Laura Wells, CRR, RMR